

PROSPECTIVE PETITION TO FORM THE TERREBONNE SANITARY DISTRICT

Pursuant to ORS 198.748, the undersigned Chief Petitioners are submitting this prospective petition to form a sanitary district. The Terrebonne Sanitary District will be organized under ORS 450.009 to ORS 450.245 for the purpose of providing sanitation facilities and services to inhabited property located within the Terrebonne Rural Community, Deschutes County, Oregon. The proposed territory for inclusion in the sanitary district at the time of formation is described in **Attachment A** and is depicted as Phase A on the Boundary Map attached as **Attachment B**.

The Chief Petitioners are filing this prospective petition in anticipation of circulating a formation petition to gather signatures from landowners within the proposed sanitary district boundaries. Following signature collection pursuant to ORS 198.750, ORS 198.755, and ORS 198.760, the Chief Petitioners will file a formation petition with the Deschutes County Clerk for review pursuant to ORS 198.705 to 198.955.

Background

The unincorporated community of Terrebonne, Oregon, does not currently have a municipal wastewater facility, leaving all businesses and residents dependent upon onsite wastewater systems (septic tanks with drainfields, drill holes, or sand filters). Aged and failing septic systems, coupled with the low permeability of the soils, is resulting in onsite system failures, surfacing effluent, exorbitant repair/replacement costs, and business closures. These conditions create economic and practical hardships for new and existing businesses and residents.

Both Deschutes County and Oregon DEQ have concluded that a community sewer system is the only sound, long-term solution. The proposed system will collect wastewater within the service territory and then convey the wastewater to the proposed City of Redmond Treatment Wetlands Complex.

Community members formed the Terrebonne Sewer Advisory Group (TSAG), starting in 2019 and began actively working with Deschutes County, DEQ, and the City of Redmond to study and develop a plan to provide community sewer service to Terrebonne. During that time, the TSAG has also engaged in community outreach, including community meetings. As a result of those efforts, the TSAG has concluded that the best mechanism to organize, fund, and operate the proposed community sewer system would be the formation of a sanitary district under ORS Chapter 450.

Special District Formation Criteria (ORS 198.720)

(1) A district may consist of contiguous or noncontiguous territory located in one or more adjoining counties. If any part of the territory subject to a petition for formation or annexation is within a city, the petition shall be accompanied by a certified copy of a resolution of the governing body of the city approving the petition.

The sanitary district will initially consist of territory located entirely within Deschutes County. Chief Petitioners contemplate the potential future expansion of the service area to other properties in the community. The community of Terrebonne is not an incorporated city.

(2) A district may not include territory included within another district formed under the same principal Act when the other district is authorized to perform and is performing the services the affected district is authorized to perform, unless:

(a) Withdrawal of such territory is proposed and the territory is withdrawn by withdrawal proceedings conducted in the other district simultaneously with the formation or annexation proceedings, and the proposed boundary changes are approved for both districts; or

(b) The principal Act provides for automatic withdrawal of the affected territory in such a case.

The sanitary district will not include territory located within another existing sanitary district. The sanitary district will share a portion of the Terrebonne Water District service territory; however, the sanitary district will provide services that are entirely distinct and separate from those provided by the Terrebonne Water District.

(3) The boundary lines of a district formed under ORS 198.705 to 198.955 shall include only such territory as may in reason be served by the facilities or services of the district.

As detailed in the attached Economic Feasibility Study, the proposed sanitary district boundaries include only such territory as Chief Petitioners and their technical consultants believe may reasonably be served by the facilities and services of the sanitary district at the time of its formation.

(4) For purposes of ad valorem taxation, a boundary change must be filed in final approved form with the county assessor and the Department of Revenue as provided in ORS 308.225.

The sanitary district will use a fee for service revenue model as detailed in the Economic Feasibility Statement attached as **Attachment C**. The sanitary district will not have a permanent tax rate.

CHIEF PETITIONERS

Tim Brown
Landowner and registered elector
trbrown541@msn.com
541-848-1239

Date: _____

Guy Vernon
Landowner and registered elector
guyvernon@me.com
541-958-1508

Date: _____

ADDITIONAL ANTICIPATED PETITIONERS

The following individuals support the filing of this prospective petition and intend to sign the formation petition.

1. Rob Jackson
2. Nick Kezele
3. Randy Lunsford
4. Tonya Lunsford
5. Debora Miller
6. Scott Miller
7. Mike Walker
8. Linda Trout
9. Kristin Yurdin
10. Deryl Ferguson

SUPPORTING DOCUMENTS

Attachment A—Description of the proposed territory for inclusion in the sanitary district
Attachment B—Boundary Map of the territory proposed for inclusion in the sanitary district
Attachment C—Economic Feasibility Statement

ATTACHMENT A

Description of the proposed territory for inclusion in the sanitary district

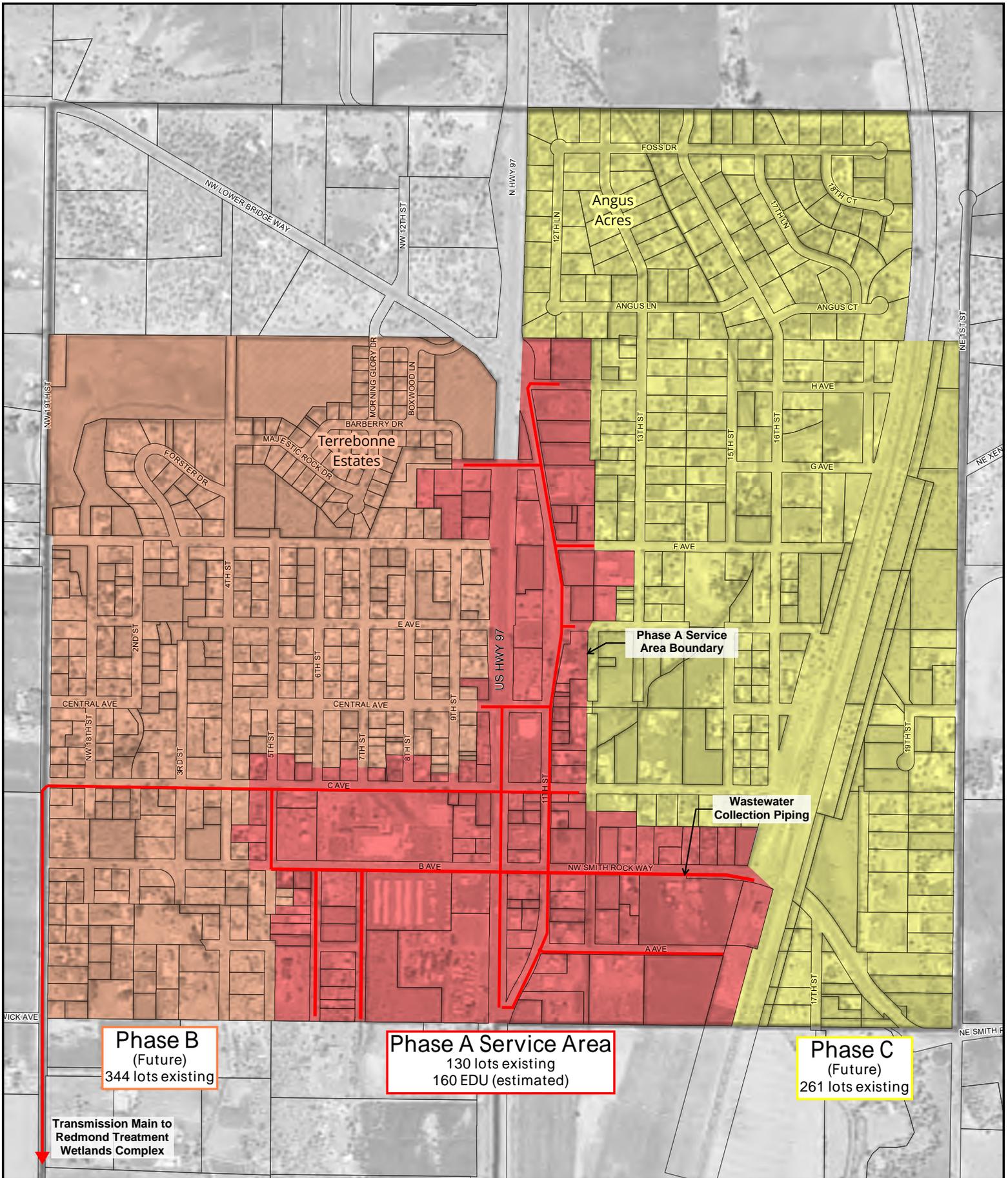
Terrebonne Sanitary District
Service Area Boundary Description (Lot & Block)
Prepared by: Ryan Rudnick, PE (Parametrix Inc.)
Date: 4/26/2022

The proposed service area boundary includes the following blocks and lots in the Plat of Hillman, filed November 22, 1909 under County Survey No. 07529, records of Deschutes County Surveyor, situated in Section 16, Township 14 South, Range 13 East, W.M., Deschutes County, Oregon:

Block 39	Lot 5-8, 17-32	Block 94	Lots 1-32
Block 40	Lots 27-32	Block 95	Lots 1-32
Block 51	Lots 1-6, 29-32	Block 96	Lots 1-32
Block 52	Lots 1-32	Block 97	Lots 1-32
Block 53	Lots 1-8, 13-32	Block 98	Lots 17-32
Block 54	Lots 1-32	Block 99	Lots 10-18
Block 55	Lots 1-32	Block 100	Lots 1-18
Block 56	Lots 1-32	Block 101	Lots 1-32
Block 57	Lots 1-32	Block 102	Lots 1-32
Block 58	Lots 1-3, 28-32	Block 103	Lots 1-32
Block 69	Lot 1-3, 27-32	Block 104	Lots 1-32
Block 70	Lots 1-32	Block 105	Lots 1-32
Block 71	Lots 1-32	Block 106	Lots 1-32
Block 72	Lots 1-32	Block 107	Lots 1-32
Block 73	Lots 1-32	Block 108	Lots 1-32
Block 74	Lots 1-32	Block 109	Lots 1-32
Block 75	Lots 1-32	Block 110	Lots 1-32
Block 76	Lots 1-6, 31-32	Block 111	Lots 1-12, 21-32
Block 79	Lots 8-32	Block 114	Lots 1-24
Block 84	Lots 1-32	Block 124	Lots 1-9, 24-32
Block 86	Lots 4-5, 28-32	Block 125	Lots 1-32
Block 87	Lots 1-5, 17-32	Block 126	Lots 1-32
Block 88	Lots 1-32	Block 127	Lots 1-32
Block 89	Lots 1-32	Block 128	Lots 1-32
Block 90	Lots 1-32	Block 129	Lots 1-9, 24-32
Block 91	Lots 1-32	Block 142	Lots 1-9
Block 92	Lots 1-32	Block 143	Lots 1-19
Block 93	Lots 1-32	Block 144	Lots 1-3

ATTACHMENT B

Boundary Map of the territory proposed for inclusion in the sanitary district



Phase B
(Future)
344 lots existing

Phase A Service Area
130 lots existing
160 EDU (estimated)

Phase C
(Future)
261 lots existing

Transmission Main to
Redmond Treatment
Wetlands Complex



ATTACHMENT C

Economic Feasibility Statement

Terrebonne Sanitary District Economic Feasibility Statement

Prepared for

Terrebonne Sanitary District

Prepared by

Parametrix

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CITATION

Economic Feasibility Statement.
Prepared by Parametrix
Bend, Oregon.
April 2022.

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1. SERVICES AND FUNCTIONS OF THE PROPOSED DISTRICT

1.1 Background

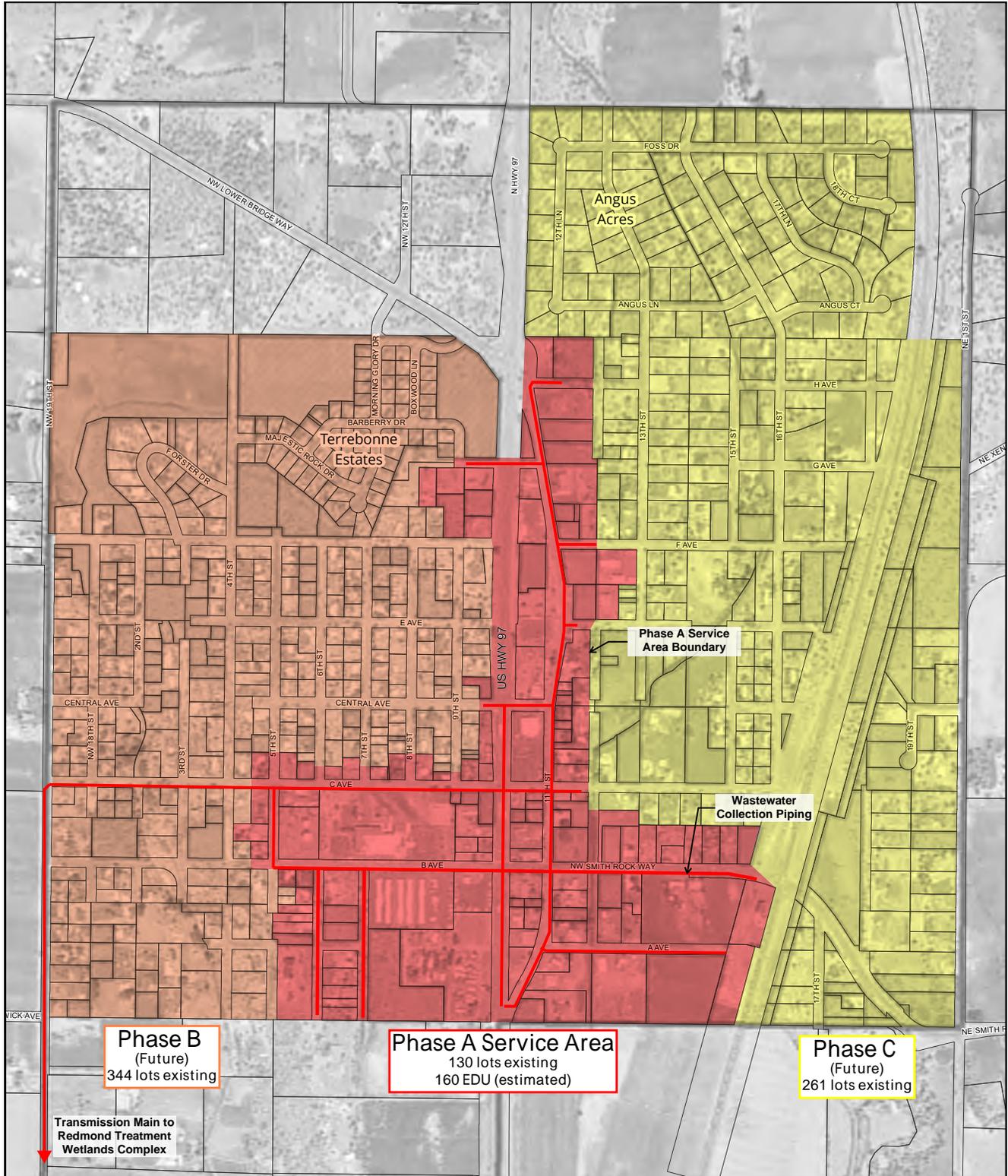
The unincorporated community of Terrebonne, Oregon, does not currently have a municipal wastewater facility, leaving all businesses and residents dependent upon onsite wastewater systems (septic tanks with drainfields, drill holes, or sand filters). The increasing age of septic systems and the low permeability of soils in Terrebonne is resulting in an increasing trend of onsite system failures, surfacing effluent, exorbitant repair/replacement costs, and business closures. The downtown core area of Terrebonne that includes both commercial and residential zoned land is not well suited for onsite wastewater disposal. The area has a shallow bedrock that is typically within 24 inches of the ground surface.

To make matters worse, the area is platted with small lot sizes lacking adequate drainfield reserve area. Many lots have been denied Septic System approval by ODEQ and Deschutes County due to inadequate lot areas and/or poor soil permeability. Unfortunately, these conditions limit the ability of new and existing businesses and residents to exist in Terrebonne. Both Deschutes County and Oregon DEQ agree that for Terrebonne, a community sewer is the only sound, long-term solution.

Considering a community sewer requires an authority to manage and operate the system, the formation of a new special district is being proposed. The special district being proposed is a sanitary district as defined by Oregon Revised Statutes (ORS) Chapter 450 and will be referred to as the Terrebonne Sanitary District (TSD). The purpose of this Economic Feasibility Statement is to meet the requirements of ORS 198.749.

1.2 Service Area and Phasing

Per the most recent feasibility study, the recommended sewage collection and treatment alternative involves a Septic Tank Effluent Pump (STEP) pressurized collection system that pumps septic tank effluent to the proposed City of Redmond Treatment Wetlands Complex for treatment. Three phases have been planned for the proposed STEP collection system in Terrebonne: Phase A - Commercial Core, Phase B – Residential West, and Phase C – Residential East. As described in prior sections, the highest concentration of septic system problems and support for a sewer system exists within the Commercial Core Area, defined by Phase A. Properties within Phase A generally include commercial uses and residences on small lots lacking adequate drainfield and reserve areas. Properties outside the commercial core in Phases B and C are generally residential with larger lots and less urgent septic system problems at the time of this study. The STEP collection system has been planned to ultimately serve the entire Terrebonne community at full-buildout, but only construction of Phase A is proposed for funding and construction at this time. A figure showing the preliminary district boundaries with anticipated phasing is below:



Parametrix DATE: 4/26/2022



Terrebonne Sanitary District
 SERVICE AREA BOUNDARY (PHASE A)

Figure 1-1 - Sanitary District Service Area and Phasing

1.3 Services and Functions Performed

The District will perform the following functions and provide the following services to the community of Terrebonne:

1. Provide a long-term, sustainable sanitary sewer collection and disposal system as an alternative to the historic use of septic drainfields and drill holes which will improve the public and environmental health in the community. In particular, the District will:
 - a. Apply for public infrastructure grants and loans to fund construction of the Phase A wastewater collection system.
 - b. Retain a civil engineer to prepare construction plans, specifications, and cost estimates for construction.
 - c. Retain an owner's representative/project manager to solicit contractor bids, manage construction schedules, inspect construction, and review contractor invoices.
 - d. Inform Terrebonne customers of the schedule, costs, and technical requirements for connection to the public sewer collection system.
2. Manage, operate, and maintain the Terrebonne community sewer system in accordance with the rules and regulations of ORS Chapter 450. In particular, the District will:
 - a. Hold District board meetings to review and discuss system revenues, expenses, issues, capital improvement plans, etc. and make formal decisions regarding the wastewater system.
 - b. Bill customers for hookup fees and monthly sewer service charges, with contracted assistance from utility billing service contractors.
 - c. Operate and maintain the wastewater system through proactive and reactive activities, with contracted assistance from a qualified maintenance contractor.
 - d. Review discharge meter volumes on a monthly basis and pay the City of Redmond for wastewater treatment charges, according to the Intergovernmental Agreement (IGA).

2. RELATIONSHIP TO OTHER GOVERNMENT SERVICES

There is the potential for TSD services to overlap with existing districts and government agencies in the area. The two existing entities that provide services and functions that relate to the TSD are the City of Redmond and the Terrebonne Water District.

2.1 City of Redmond

Based on the evaluation of wastewater system alternatives, the recommended alternative for Terrebonne is a STEP collection system and forcemain that discharges to the Redmond Treatment Wetlands Complex. This alternative presents the most cost-effective solutions for the community, while also minimizing community impacts, environmental impacts, operational costs, and permit processes. This means that the TSD and City of Redmond will coordinate to provide a viable community sewer system for Terrebonne. The City of Redmond and Deschutes County have entered into a Memorandum of Understanding agreement regarding the intent for the Redmond Treatment Complex to accept effluent via the Terrebonne forcemain. Eventually an intergovernmental agreement between the City of Redmond and the proposed TSD will be necessary to provide full service to the community of Terrebonne since Terrebonne will not have the ability to treat and dispose of wastewater initially. Sewer rates for the District customers will include expenses for this service provided by the City of Redmond.

2.2 Terrebonne Water District

The Terrebonne Water District provides clean drinking water to its residents in Terrebonne. While there are no other overlapping services at the outset of the new sewer system operation, there is potential for administrative and billing cooperation between the two districts. At the time of this Economic Feasibility Statement, however, no coordination or agreement between the two districts is planned. The operating budget assumes that no administrative, operational, managerial, or financial services will be shared by the two districts.

3. FINANCIAL FORECAST

The building blocks of the wastewater system financial plan are the projections of expenses and revenues that the District will incur during the planning period. The basic expenses include the following:

- Operation and maintenance (O&M) costs
- Debt service expenditures (principal and interest on loans used to fund the initial system infrastructure)
- Cash funded capital outlays or sinking funds for future system repair and replacement
- Operating contingencies

Two financial forecast scenarios were developed that illustrate the impacts on sewer rates of different funding packages for the initial system improvements. Scenario 1 (shown in Figure 3-1) assumes a combination of loan and grant funding for the \$3.9 Million Phase A system improvements, while Scenario 2 (Figure 3-2) is based on debt funding alone (no grants). Both scenarios assume up-front connection charges collected from each customer and forecast O&M and future capital outlays.

As a new wastewater system with few connections proposed at the outset, there are currently no existing revenue streams, and a relatively high level of grant funding will likely be necessary to establish this new system with rates and fees that are affordable to Terrebonne customers.

3.1 Funding

A crucial consideration for the financial plan for the Terrebonne sewer system is initial funding sources and the District's eligibility for grant funding in order to moderate customer sewer bills. Most likely, the funding for the initial project will come from a combination of local connection charges and grants and loans from state or federal agencies. District representatives will participate in a "One-Stop" meeting with state and federal agencies to further evaluate funding options.

Lending agencies, like Business Oregon, generally require utilities to set user rates sufficient to generate net revenues (operating revenues minus operating expenses) in excess of annual debt service to provide some level of funding contingency (referred to as a "debt service coverage"). The financial forecasts presented in Figure 3-1 and Figure 3-2 assumes Debt Service Coverage Ratio of greater than 1.00.

For purposes of estimating debt service on the loan portion of project costs for Scenario 1, a 30-year term and 1.68% interest rate are assumed, which is typical of a Clean Water State Revolving Fund (CWSRF) loan for Design/Construction for small communities as published on Oregon DEQ's website for

the period of January 1, 2022 through March 31, 2022. The loan proceeds in **Figure 3-1** were arrived at by estimating the maximum debt service capacity assuming a monthly sewer rate per Equivalent Dwelling Unit (EDU) of \$65 per month per EDU, which is comparable to other regional communities. This rate translates to an annual cost per household of roughly \$780.00, which represents 1.26 percent of the median household income in Terrebonne (\$61,859 per 2019 US Census Data).

According to the United States Environmental Protection Agency (USEPA), if the annual sewer service cost per household is less than 1.0 percent of the median household income, it is assumed that the project is not expected to impose a substantial economic hardship on households. If the average annual sewer service cost per household exceeds 2.0 percent of median household income, then the project may place an unreasonable financial burden on many of the households within the community. When the ratio falls between these values, communities are expected to incur mid-range impacts and a secondary test is often performed that includes debt indicators, socioeconomic indicators, and financial management indicators (USEPA, 1995). Various state and national funding agencies have adopted an affordability threshold that falls within this range.

Loan amounts for both scenarios assume some funding from System Development Charges (SDC) will be available, as described in Section 3.2. The anticipated long term loan amount has been decreased by the funding available through SDCs. In order to maintain the affordability for Terrebonne residents, a grant of roughly \$1,800,000 (47% of project costs) would be necessary to cover initial construction costs for the budget scenario in Figure 3-1. Figure 3-2 has been included in this economic feasibility statement to present the unlikely scenario that no grant funding could be secured for the project.

3.2 System Development Charges

If the District is formed and moves forward with the design and construction of the proposed Phase A wastewater collection system project, an SDC fee will need to be established to help cover costs from this project and allocate funding for future projects. This section outlines a preliminary SDC analysis to provide a rough estimate of the SDC fee that would be assessed to Terrebonne customers who connect to the wastewater system. It should be mentioned that this SDC analysis is only preliminary and will need to be reassessed when actual costs, funding, etc., are known. A detailed SDC analysis is beyond the scope of this Economic Feasibility Statement.

To estimate the SDC fee, the following two fee components need to be considered:

- **Reimbursement** - Reimbursement is designed to recover costs associated with capital improvements that have already been constructed that can be utilized for growth. For Terrebonne, the reimbursement SDC fee would reimburse the District for costs incurred to construct the proposed Phase A Collection System. The estimated Phase A project cost is estimated to be \$3.8 Million in 2024 dollars. The Phase A infrastructure includes pressure sewer mains and the 8-inch forcemain to Redmond, which is designed to serve the entire Terrebonne community (approx. 1054 EDUs) at full-buildout. Assuming this reimbursable construction cost is divided among the 1054 EDUs projected at full buildout, the estimated Reimbursement SDC fee would be approximately \$3,634 per EDU.
- **Improvement** - Improvement SDC fees are designed to recover costs associated with capital improvements to be constructed. While phasing plans have been prepared for expanding the collection system to outlying residential areas in Terrebonne, the extent and timing of these projects is uncertain. To allocate funds for future system expansion, improvement costs are

assumed to be \$3 Million. Assuming this improvement cost of \$3 Million is divided among the 1054 EDUs projected at full buildout, the Improvement SDC fee would be approximately \$2,846 per EDU.

- **Total SDC** - The Total SDC fees are the sum of the Reimbursement and Improvements components. The estimated Total SDC fees would be \$6,480 (\$3,634 + \$2,846). This total represents a worst-case scenario and assumes the entire project would be paid for through a state or federal loan. Although not guaranteed to be awarded to the District, this amount can be reduced through applying for and acquiring grants to effectively reduce the overall direct capital expenditure by the District. For instance, if the District was to secure \$1.8 Million in grant funding for Phase A, as indicated in Figure 3-1, initial improvement costs for Phase A would be reduced by \$1.8 Million and the total SDC fees would equate to \$4,773.

3.3 Initial Capital Costs

The total project costs have been estimated using a variety of sources including but not limited to cost-estimating indexes, past project experience, professional judgment, information from material suppliers, and estimates provided by others. Due to the nature of fluctuating economic conditions, the competitive bidding process, undetermined schedule, the preliminary nature of this planning document, and other unpredictable conditions total project costs may vary from the opinion presented in the operating budget table.

Initial capital costs for Phase A include collection mains and appurtenances, valving, service stub outs, metering, system monitoring, odor control, connection to City of Redmond treatment system, legal costs, permitting, construction and project administration, design, and a 20% contingency.

The project construction cost estimates in both figures account for this and only show the construction costs anticipated to be borne by the District. Deschutes County has allocated \$1 Million in grant funding to reimburse Redmond for additional treatment capacity at the proposed wetlands treatment complex related to the Terrebonne system (\$2M estimated cost borne by Redmond). Approximately 457 EDUs are covered by the \$1M grant. Once 458 EDUs are served by the District, the District will be expected to reimburse Redmond for the remaining treatment system capacity, per the terms and conditions agreed upon in the forthcoming IGA.

A significant portion of the Phase A collection system is being designed and constructed with the ODOT Highway 97 improvements project in Terrebonne. The capital costs for the work associated with the ODOT project and the \$1 Million in funding from Deschutes County are not borne by the District and are therefore not included in capital costs in Figure 3-1 and Figure 3-2.

3.4 Operating Budget

Both financial plan figures detail the rate and EDU assumptions by year. At startup, 160 EDUs are anticipated to connect to the collection system. EDUs are anticipated to increase by approximately 10 EDUs in the commercial core area (Phase A) every year. Sewer rates have been adjusted year over year for inflation assuming a 3 percent annual average cost inflation. Anticipated operating revenue is based on the monthly rates and number of EDUs pumping into the sewer system.

Operation, maintenance, and replacement (OM&R) expenses can be categorized into three separate items:

- **Personal Services** – Personal services include District administration and utility billing services among other things. An estimate of \$5/EDU/month was utilized. Because of the small size of the District at startup, it is possible that a third-party billing and customer call center service may be beneficial for the District. Estimates from an existing third-party vendor at \$1.90/EDU/month for a 2,000-customer system. An additional \$3.10 was included to cover economy of scale for the small Terrebonne system as well as miscellaneous personal services performed by District personnel.
- **Materials and Services** – Contractor estimates were solicited for the materials and services portion of the OM&R costs. These were estimated to be \$127.50/EDU/year for preventative maintenance, reactive maintenance, repair and replacement, and tank pumping plus an additional \$1,600 per year for the collection system maintenance such as pressure main repairs, valve maintenance, odor control, etc.
- **Other Operating Expenses (City of Redmond treatment)** – The proposed wastewater system in Terrebonne will utilize the services provided by the City’s Wetlands Treatment Complex. The District will be responsible for paying related wastewater treatment charges to the City of Redmond. Per coordination with the City of Redmond, the charge will be approximately \$2.63/1000 gallons/month, based on metered monthly volume. Assuming a conservative average daily flow of approximately 200 gallons/day/EDU, the budgeted amount for treatment charges (in 2025) is \$16.29/EDU/Month=\$196/EDU/year to cover these City of Redmond charges to the District.

3.5 Summary

As discussed previously, both scenarios will require some amount of funding in the form of a long-term loan. The District’s eligibility for grant funding will be determined by the funding agencies based on a variety of factors. As shown in Figure 3-1 and Figure 3-2, the assumed level of grant vs. loan funding has a significant impact on the sewer rates that will be required and the resulting affordability (as measured by the ratio of rates to average household income).

A bar graph has been included in both figures to compare revenues to projected OM&R expenses and debt service. Initially, projected revenues are assumed to just cover the projected costs; however, as additional connections occur, the District may begin generating additional contingency and future replacement funds in the form of ending fund balance.

Figure 3-1 - 10-Year Operating Budget (Grant Funding Assumed)

Terrebonne Sanitary District
 Wastewater System Financial Plan
 Schedule of Pro Forma Revenues and Expenditures

	(funding) 2023	(construction) 2024	(startup) 2025	2026	2027	2028	2029	2030	2031	2032
Cost index (3% cost inflation annual average)	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30
EDUs	0	0	160	170	180	190	200	210	220	230
Monthly Rate per EDU ³	\$65.00	\$66.95	\$68.96	\$71.03	\$73.16	\$75.35	\$77.61	\$79.94	\$82.34	\$84.81
Beginning Balance	\$ -	\$ 3,166,704	\$ 100,000	\$ 79,917	\$ 113,869	\$ 154,449	\$ 201,991	\$ 256,842	\$ 319,362	\$ 389,929
Operating Revenues										
Charges for Services	\$0	\$0	\$132,400	\$144,896	\$158,021	\$171,804	\$186,272	\$201,453	\$217,378	\$234,076
Total Operating Revenues	-	-	132,400	144,896	158,021	171,804	186,272	201,453	217,378	234,076
Operation, Maintenance & Replacement Expenses										
Personal Services ⁵	\$ -	\$ -	\$ 10,185	\$ 11,146	\$ 12,155	\$ 13,216	\$ 14,329	\$ 15,496	\$ 16,721	\$ 18,006
Materials & Services ⁴	\$ -	\$ -	\$ 23,340	\$ 25,433	\$ 27,631	\$ 29,938	\$ 32,359	\$ 34,898	\$ 37,560	\$ 40,350
Other Operating Expense - COR WW Treatment ¹	\$ -	\$ -	\$ 33,182	\$ 36,313	\$ 39,603	\$ 43,057	\$ 46,683	\$ 50,487	\$ 54,478	\$ 58,663
Total OM&R	\$0	\$0	\$ 66,706	\$ 72,892	\$ 79,389	\$ 86,211	\$ 93,370	\$ 100,881	\$ 108,759	\$ 117,019
Debt Service										
Net Revenue Avail. For Debt Service	\$0	\$0	\$ 65,694	\$ 72,003	\$ 78,632	\$ 85,594	\$ 92,902	\$ 100,572	\$ 108,618	\$ 117,057
Proposed Debt ²	\$0	\$0	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778
Total Debt Service	\$0	\$0	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778	\$ 65,778
Other Activities										
Cash Available After Debt Service	\$0	\$0	(\$83)	\$6,226	\$12,854	\$19,816	\$27,124	\$34,794	\$42,841	\$51,280
Loan Proceeds/Drawdowns	1,366,704	763,616	0	0	0	0	0	0	0	0
Capital Outlay	0	(3,830,320)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Loan Payoff	0	0	(763,616)	0	0	0	0	0	0	0
Grant	1,800,000	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0
SDC revenue	\$ 4,773 /EDU	0	763,616	47,726	47,726	47,726	47,726	47,726	47,726	47,726
Equipment replacement transfers	0	0	0	0	0	0	0	0	0	0
Net Other Activity	\$3,166,704	(\$3,066,704)	(\$20,000)	\$27,726	\$27,726	\$27,726	\$27,726	\$27,726	\$27,726	\$27,726
Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$ 3,166,704	\$ 100,000	\$ 79,917	\$ 113,869	\$ 154,449	\$ 201,991	\$ 256,842	\$ 319,362	\$ 389,929	\$ 468,934
Debt Service Coverage			1.00	1.09	1.20	1.30	1.41	1.53	1.65	1.78

¹ Based on assumed treatment charges of \$16.29/EDU/Month=\$196/EDU/year (in 2025) to cover City of Redmond charges to TSD by metered volume at \$2.63/1000 gallons/month
² Based on 30 year term and 1.68% interest rate and including 0.50% annual fee
³ Monthly rate as % of median household income: 1.26%
⁴ Based on estimates from contractor: \$127.50/EDU/year plus \$1,600/year for collection system maintenance
⁵ An estimate based on information received from utility billing service and additional cost required for in-house district personal services

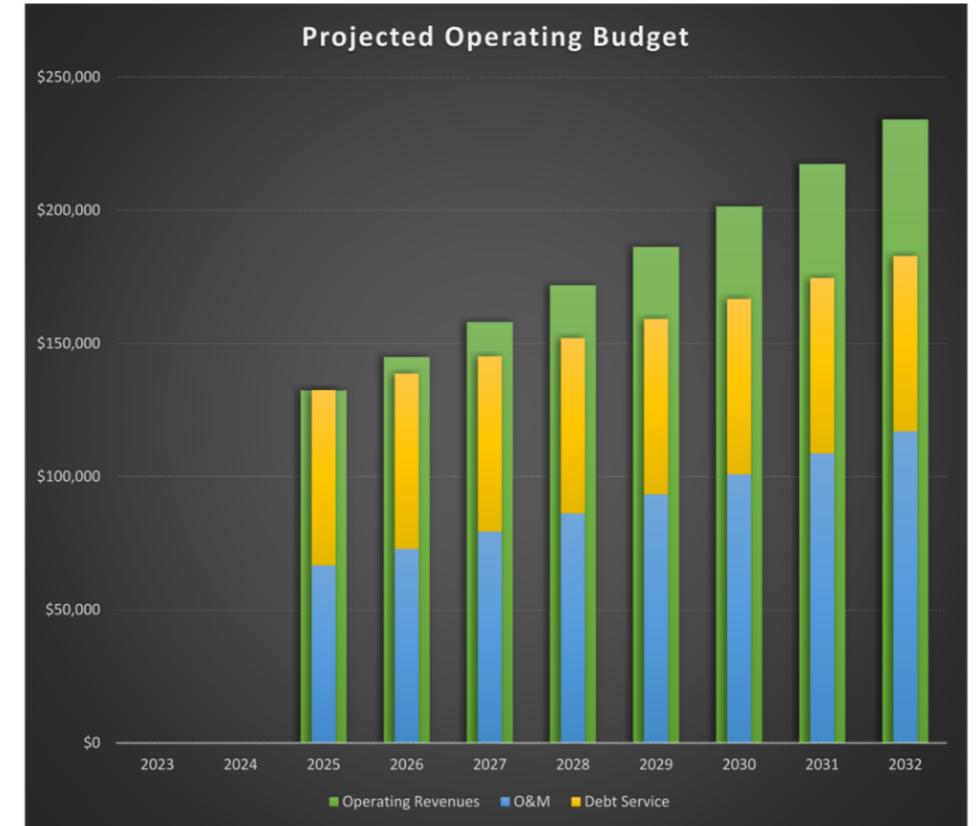
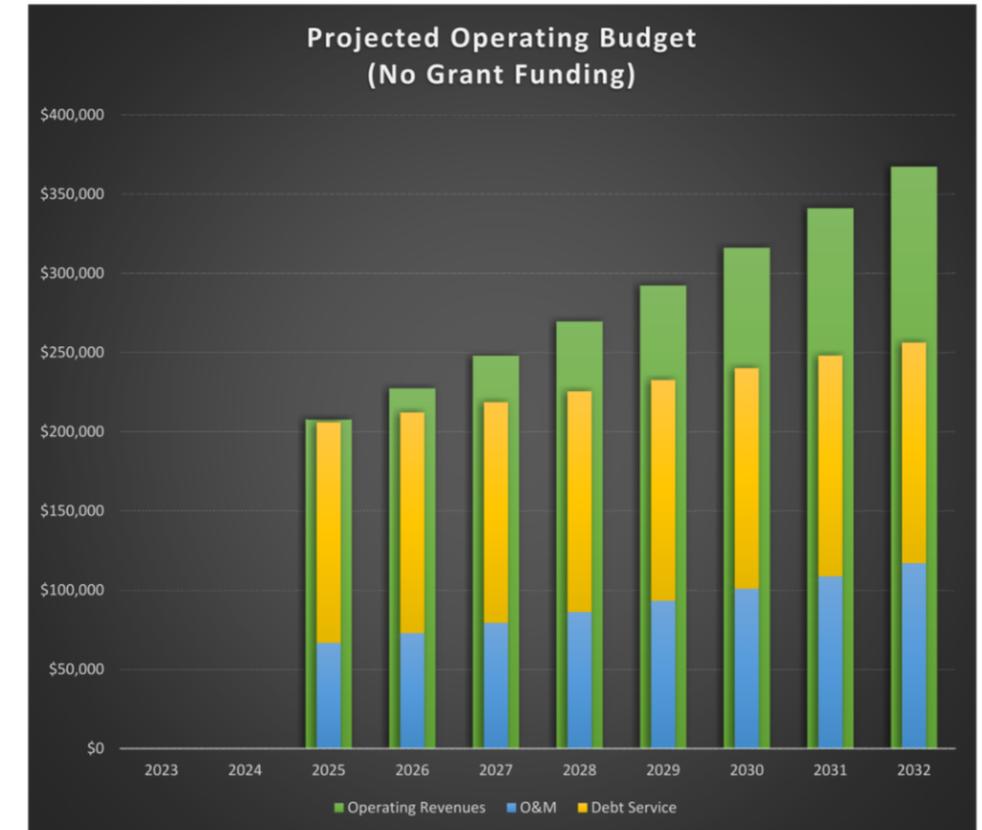


Figure 3-2 - 10-Year Operating Budget (No Grant Funding Assumed)

Terrebonne Sanitary District
Wastewater System Financial Plan
Schedule of Pro Forma Revenues and Expenditures

	(funding) 2023	(construction) 2024	(startup) 2025	2026	2027	2028	2029	2030	2031	2032
Cost index (3% cost inflation annual average)	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30
EDUs	0	0	160	170	180	190	200	210	220	230
Monthly Rate per EDU ³	\$102.00	\$105.06	\$108.21	\$111.46	\$114.80	\$118.25	\$121.79	\$125.45	\$129.21	\$133.09
Beginning Balance	\$ -	\$ 2,893,459	\$ 100,000	\$ 81,802	\$ 141,831	\$ 215,959	\$ 304,895	\$ 409,375	\$ 530,166	\$ 668,068
Operating Revenues										
Charges for Services	\$0	\$0	\$207,767	\$227,375	\$247,972	\$269,601	\$292,304	\$316,127	\$341,116	\$367,320
Total Operating Revenues	-	-	207,767	227,375	247,972	269,601	292,304	316,127	341,116	367,320
Operation, Maintenance & Replacement Expenses										
Personal Services ⁵	\$ -	\$ -	\$ 10,185	\$ 11,146	\$ 12,155	\$ 13,216	\$ 14,329	\$ 15,496	\$ 16,721	\$ 18,006
Materials & Services ⁴	\$ -	\$ -	\$ 23,340	\$ 25,433	\$ 27,631	\$ 29,938	\$ 32,359	\$ 34,898	\$ 37,560	\$ 40,350
Other Operating Expense - COR WW Treatment ¹	\$ -	\$ -	\$ 33,182	\$ 36,313	\$ 39,603	\$ 43,057	\$ 46,683	\$ 50,487	\$ 54,478	\$ 58,663
Total OM&R	\$0	\$0	\$ 66,706	\$ 72,892	\$ 79,389	\$ 86,211	\$ 93,370	\$ 100,881	\$ 108,759	\$ 117,019
Debt Service										
Net Revenue Avail. For Debt Service	\$0	\$0	\$ 141,061	\$ 154,483	\$ 168,583	\$ 183,390	\$ 198,934	\$ 215,245	\$ 232,357	\$ 250,301
Proposed Debt ²	\$0	\$0	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258
Total Debt Service	\$0	\$0	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258	\$ 139,258
Other Activities										
Cash Available After Debt Service	\$0	\$0	\$ 1,802	\$ 15,224	\$ 29,325	\$ 44,132	\$ 59,676	\$ 75,987	\$ 93,098	\$ 111,042
Loan Proceeds/Drawdowns	2,893,459	1,036,861	0	0	0	0	0	0	0	0
Capital Outlay	0	(3,830,320)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Loan Payoff	0	0	(1,036,861)	0	0	0	0	0	0	0
Grant	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0
SDC revenue	\$ 6,480 /EDU	0	1,036,861	64,804	64,804	64,804	64,804	64,804	64,804	64,804
Equipment replacement transfers	0	0	0	0	0	0	0	0	0	0
Net Other Activity	\$2,893,459	(\$2,793,459)	(\$20,000)	\$44,804	\$44,804	\$44,804	\$44,804	\$44,804	\$44,804	\$44,804
Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$ 2,893,459	\$ 100,000	\$ 81,802	\$ 141,831	\$ 215,959	\$ 304,895	\$ 409,375	\$ 530,166	\$ 668,068	\$ 823,914
Debt Service Coverage			1.01	1.11	1.21	1.32	1.43	1.55	1.67	1.80



¹ Based on assumed treatment charges of \$16.29/EDU/Month=\$196/EDU/year (in 2025) to cover City of Redmond charges to TSD by metered volume at \$2.63/1000 gallons/month

² Based on 30 year term and 1.68% interest rate and including 0.50% annual fee

³ Monthly rate as % of median household income: 1.98%

⁴Based on estimates from contractor: \$127.50/EDU/year plus \$1,600/year for collection system maintenance

⁵An estimate based on information received from utility billing service and additional cost required for in-house district personal services